

**ASSEMBLY BILL**

**No. 826**

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**Introduced by Assembly Member Atkins**

February 17, 2011

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An act to amend Section 50802 of the Health and Safety Code, relating to emergency housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 826, as introduced, Atkins. Emergency Housing and Assistance Fund.

Existing law establishes the Emergency Housing and Assistance Fund, which is continuously appropriated to the Department of Housing and Community Development, to carry out the purposes of the Emergency Housing and Assistance Program. The department is required to ensure that not less than 20% of the moneys in the fund be allocated to nonurban counties and provides for the allocation of funds in the event funds allocated to nonurban counties are not awarded, as prescribed.

This bill would make technical, nonsubstantive changes to these provisions of law.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 50802 of the Health and Safety Code is
- 2 amended to read:
- 3 50802. (a) The department shall ~~ensure~~ *make certain* that not
- 4 less than 20 percent of the moneys in the Emergency Housing and
- 5 Assistance Fund shall be allocated to nonurban counties during

1 any given fiscal year. If the funds designated for facilities operation  
2 that are allocated to nonurban counties are not awarded by the end  
3 of that fiscal year, then those unencumbered funds shall be  
4 allocated in the ~~next~~ *subsequent* fiscal year to urban counties.  
5 Funds for capital development that are not awarded by the end of  
6 the second fiscal year shall be awarded in the ~~subsequent~~ *next*  
7 fiscal year to urban counties.

8 (b) The amount of funds that the department allocates from the  
9 Emergency Housing and Assistance Fund to each region, excluding  
10 funds allocated pursuant to subdivision (a), shall be based upon a  
11 formula that accords at least 20 percent weight to each of the  
12 following factors:

13 (1) The relative number of persons in the region below the  
14 poverty line according to the most recent federal census, updated,  
15 if possible, with an estimate by the Department of Finance,  
16 compared to the total of the urban counties.

17 (2) The relative number of persons unemployed within each  
18 region, based on the most recent one-year period for which data  
19 is available, compared to the total of the urban counties.

20 (c) Grant funds shall be disbursed as expeditiously as possible  
21 by the department.

22 (d) The department shall use not more than 5 percent of the  
23 amount available for funds pursuant to this chapter to defray the  
24 department's administrative costs pursuant to this chapter.

25 (e) Notwithstanding any other provision of this chapter, the  
26 department shall distribute funds appropriated for purposes of the  
27 activities specified in paragraph (2) of subdivision (a) of Section  
28 50803 as grants in the form of forgivable deferred loans, subject  
29 to all of the following:

30 (1) Funding shall be made available to each project as a loan  
31 with a term of five years for rehabilitation, seven years for  
32 substantial rehabilitation, or 10 years for acquisition and  
33 rehabilitation or new construction. Each deferred loan shall be  
34 secured by a deed of trust and promissory note. Repayment of the  
35 loan shall be deferred as long as the project is used as an emergency  
36 shelter or transitional housing. At the completion of the specified  
37 year term, the loan shall be forgiven. If a transfer or conveyance  
38 of the project property, however, occurs prior to that time that  
39 results in the property no longer being used as an emergency shelter

1 or transitional housing, the department shall terminate the grant  
2 and require the repayment of the deferred loan in full.

3 (2) Applications for funding shall be made pursuant to  
4 department-issued statewide “Notices of Funding Availability”  
5 without the need for additional regulations.

6 (3) The department shall set forth the criteria for evaluating  
7 applications in the “Notices of Funding Availability” and shall  
8 make deferred loans based on those applications that best meet the  
9 criteria.

10 (4) The department shall specify in the “Notice of Funding  
11 Availability” both maximum and minimum grant amounts that  
12 may be varied for urban and nonurban counties.

13 (5) Contracts for projects that have not begun construction  
14 within the initial 12-month period shall be terminated and funds  
15 reallocated. The department, however, may extend this period by  
16 a period not to exceed 12 months.